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27 April 2023

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(3 pages by email)

Dear Madam

REPORT ON ACTIVITIES FOR THE QUARTER ENDED 31 MARCH 2023

Biotron Limited ('Biotron' or 'the Company') has achieved key outcomes including:

- Completed the two Phase 2 trials of BIT225 for treatment of HIV-1 infection that are underway at sites in Australia and Thailand.
- Progressed documentation for a Phase 2 trial of BIT225 for treatment of adults with COVID-19 through relevant ethics and regulatory authorities.
- Presented BIT225 COVID-19 data at an international conference.
- Continued the design, synthesis and testing of new compounds with the aim of identifying next-generation lead anti-HIV-1 and anti-SARS-CoV-2 drugs and a lead candidate for HBV.

HIV-1 Program

During the quarter, Biotron completed the clinical phase of two Phase 2 clinical trials (BIT225-011 and BIT225-010) for treatment of HIV-1 infection that are underway at sites in Australia and Thailand, respectively.

The two trials were designed to generate data to extend the positive findings from previous clinical trials conducted by Biotron in which BIT225 was shown to have positive effects on key immunologic markers of improved health outcomes.

The BIT225-011 Phase 2 HIV-1 trial that has been underway at sites in Sydney, Australia, including St Vincent's Hospital, Holdsworth House and East Sydney Doctors, is investigating the impact of BIT225 in HIV-infected people who have been taking approved anti-HIV-1 treatment ('ART') for an extended period with well-controlled HIV-1 infection but not achieved full immune reconstitution despite long term durably suppressive ART. This group, estimated to encompass more than one-third of the HIV treated population, is at an increased risk of clinical progression to AIDS and other morbidities and has higher rates of mortality than HIV infected patients who have attained full immune reconstitution.

BIT225 was added to this group's ART treatment for a period of three months. The endpoints for this trial include measurements of improved immune function and markers linked to immune reconstitution.

The BIT225-010 Phase 2 HIV-1 trial that was run at sites in Thailand included people newly diagnosed as being HIV-1 positive but not yet commenced ART with BIT225 treatment or placebo continuing for six months in combination with ART. This extended dosing period allows for a more detailed investigation of immune changes observed in previously completed HIV-1 clinical studies with BIT225. The endpoints for this trial include measurements of improved immune function and markers linked to immune reconstitution.

With the clinical phase completed, focus is now on undertaking detailed laboratory analyses of all the samples collected during the trials. The assays are complex and will take several months to complete. Once all the data is available, the study will be unblinded and the data subjected to statistical analyses.

The data will be central to demonstrating to potential pharmaceutical partners and regulatory authorities the safety and efficacy of BIT225 in patients with currently unmet medical needs.

Preliminary results from the trials are anticipated to be available in mid-2023.

SARS-CoV-2/COVID-19 Program

During the quarter, the Company progressed detailed documentation for a standalone Phase 2 trial of BIT225 through relevant ethics and regulatory submissions at identified trial sites and, subject to approvals, the trial is expected to commence shortly.

Despite the availability of SARS-CoV-2 vaccines, there remains a need for oral drugs to treat the infection and prevent severe disease, especially in at-risk individuals.

BIT225 has an established human safety profile and has the potential to be an important first in class drug for COVID-19 treatment.

In February 2023, the Company presented COVID-19 data from studies with its lead antiviral drug BIT225 at the 30th Conference on Retroviruses and Opportunistic Infections ('CROI') in Seattle, WA, USA. CROI is the pre-eminent international HIV research meeting and this year it also featured new findings on SARS-CoV-2 and the mpox virus.

Biotron's paper, entitled "SARS-CoV-2 E-Protein Viroporin Inhibitor BIT225 Active in hACE2 Transgenic Mice" presented data confirming that BIT225 targets the E protein of SARS-CoV-2. The E protein is central to initiating the SARS-CoV-2-induced adverse inflammatory cascade that leads to increases in proinflammatory cytokines that are associated with the oedema and acute respiratory distress syndrome (ARDS) observed with SARS-CoV-2 infection.

The paper also presented data from the study of BIT225 in the K18-hACE2 transgenic mouse model of COVID-19 disease, demonstrating that BIT225 protected mice from weight loss and death, inhibited virus replication and reduced inflammation. These effects were noted when treatment with BIT225 was initiated before or 24 to 48 hours after infection.

The data support the proposed clinical study of BIT225 in treatment of SARS-CoV-2 and validate SARS-CoV-2 E protein as a viable antiviral target.

Hepatitis B Program

While the clinical programs for HIV-1 and COVID-19 continue to be the Company's main focus, the Hepatitis B virus ('HBV') program continues to be an important preclinical program.

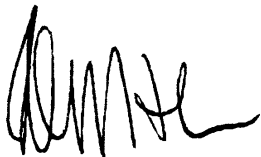
Biotron is working with other experienced groups to access key antiviral HBV assays and continues to make good progress. The aim is to identify a lead series to progress to preliminary safety studies and assessment in animal models of HBV infection.

The current pandemic highlights the importance of novel approaches such as Biotron's viroporin compounds which have the potential to target a broad range of existing and emerging viruses.

Expenditures

As disclosed in the Company's Quarterly Cash Flow Report, expenditure on these research and development activities during the quarter totaled \$784,000 and \$210,000 of related staff costs. As disclosed in the Company's Quarterly Cash Flow Report, payments to related parties and their associates during the quarter totaled \$149,000 for director fees, salaries and superannuation payments.

By order of the Board

A handwritten signature in black ink, appearing to read 'Peter J. Nightingale', written over a horizontal line.

Peter J. Nightingale
Company Secretary

pjn11642

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

BIOTRON LIMITED

ABN

60 086 399 144

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(784)	(2,070)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(210)	(631)
(f) administration and corporate costs	(194)	(766)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	48	75
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,431
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,140)	(1,961)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1	6,001
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(428)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(10)	(30)
3.10	Net cash from / (used in) financing activities	(9)	5,543

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,472	1,741
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,140)	(1,961)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(9)	5,543
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,323	5,323

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	97	93
5.2	Call deposits	5,226	6,379
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,323	6,472

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

149

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Director fees, salaries and superannuation payments.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

	N/A
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8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,140)
8.2 Cash and cash equivalents at quarter end (item 4.6)	5,323
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	5,323
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.67

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 April 2023.

Authorised by: By the Board.
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.